

Message Text

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PAGE 01 AMMAN 09621 260752Z

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 SS-15 SP-02 PM-05 INR-07

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FM AMEMBASSY AMMAN

TO SECSTATE WASHDC 4423

C O N F I D E N T I A L AMMAN 9621

NOFORN

DEPARTMENT PASS AID

E.O. 11652: GDS

TAGS: EFIN, JO

SUBJECT: GOJ 1977 BUDGETARY CASH FLOW

REF: A) AMMAN 3928, B) AMMAN 8482, C) AMMAN 3912

1. SUMMARY -- 1977 WAS WITHOUT DOUBT VERY GOOD YEAR FOR MANAGERS OF GOJ BUDGET. YEAR OPENED WITH PROSPECTS OF LARGE INCREASE IN ALREADY LARGE CASH DEFICIT CARRIED FROM 1976, BUT INCLUSION OF SAUDI \$140 MILLION GRANT IN REGULAR BUDGET AND RESUMPTION OF RABAT SUBSIDIES RESULTED IN RECORD 1977 BUDGET SUPPORT, NOW ESTIMATES AT 121.5 MILLION JD. DOMESTIC REVENUES WILL ALSO EXCEED ESTIMATES OF 1977 BUDGET LAW SOMEWHAT. ON EXPENDITURE SIDE, TOTALS ORIGINALLY BUDGETTED AT BEGINNING OF YEAR HAVE ALSO BEEN EXCEEDED EXCEPT FOR AREA OF ECONOMIC DEVELOPMENT BUT CURRENT GOJ ESTIMATES FOR 1977 BUDGET PERFORMANCE SHOW SMALL SURPLUS WHICH CAN BE USED TO REDUCE DEFICIT CARRIED OVER FROM 1976. 1978 PROSPECTS (REPORTED SEPTTEL), HOWEVER ARE NOW BLEAK. END SUMMARY.

2. PRELIMINARY 1977 CASH FLOW DATA PROVIDED TO EMBASSY

CONFIDENTIAL

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PAGE 02 AMMAN 09621 260752Z

IN STRICT CONFIDENCE BY GOJ ARE RECORDED BELOW. GOJ OFFICIAL WHO PROVIDED THESE DATA EMPHASIZED THAT THEY ARE PRELIMINARY, AND FINAL FIGURES WILL NOT BE AVAILABLE FOR SOME TIME. FOR PURPOSES OF COMPARISON, ESTIMATES PUBLISHED IN 1977 JORDANIAN BUDGET LAW ARE ALSO REPRODUCED: (JD MILLIONS)

	(PRELIMINARY) 1977 CASH FLOW	1977 BUDGET LAW
TOTAL REVENUES	308.5	307.6
DOMESTIC	141.0	137.3
BUDGET SUPPORT	121.5	87
FOREIGN ECONOMIC		
DEVELOPMENT LOANS	42.0	79.3
TECHNICAL ASSISTANCE	4.0	4.0
TOTAL EXPENDITURES	331.2	332.6
CURRENT	202.0	178.9
TECHNICAL ASSISTANCE	4.0	4.0

WHEN DOMESTIC AND FOREIGN FINANCING NOT INCLUDED ABOVE
ARE TAKEN INTO ACCOUNT, SURPLUS OF ESTIMATED 3-5 MILLION
JD RESULTS. THIS WILL BE APPLIED AGAINST DEFICIT
CARRIED FROM 1976 BUDGET OPERATIONS. THAT DEFICIT IS
34.7 MILLION JD (PER REF A)).

3. AS USUAL GOJ HAS EXPENDED LESS OF ITS FOREIGN ECONOMIC
DEVELOPMENT LOANS THAN WAS BUDGETTED AT BEGINNING
OF YEAR. AT SAME TIME, HOWEVER, GOJ RESOURCES EXPENDED
ON ECONOMIC DEVELOPMENT PROJECTS (I.E., FIVE
YEAR PLAN FINANCING INCLUDED IN PART I OF BUDGET) ARE
12.3 MILLION JD GREATER THAN ANTICIPATED IN 1977
BUDGET DOCUMENT. INCREASES WERE:

CONFIDENTIAL

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PAGE 03 AMMAN 09621 260752Z

(JD MILLIONS)

POTASH PROJECT	3.3
GRAIN SILOS	3.5
ROADS	1.0
FERTILIZER PROJECT	2.0
MISCELLANEOUS	2.5
TOTAL	12.3

4. BUDGET SUPPORT - BECAUSE OF CHANGES IN ACCOUNTING,
1975 AND 1976 BUDGET SUPPORT DATA ARE LISTED BELOW IN
ADDITION TO (PRELIMINARY) 1977 RECEIPTS.

(JD MILLIONS)

	1975	1976	1977
UNITED STATES		18.0	21.0
KHARTOUM		18.0	
SAUDI ARABIA		12.9	11.0
KUWAIT		11.4	9.0
RABAT	6.1(1)	-	24.5
OTHER			
SAUDI ARABIA		24.6	-
QATAR	12.5	3.3(2)	(4)
ABU DHABI	12.5	5.0(2)	(4)

TOTALS 98.0 49.3(3) 121.5

1/ REMAINDER OF TOTAL OF 58-59 MILLION JD IN 1975 RABAT PAYMENTS WAS ALLOCATED DIRECTLY TO JORDANIAN MILITARY AND MAKES NO APPEARANCE IN ANY BUDGET DOCUMENTS.

2/ OTHER OFFICIAL TRANSFERS FROM ABU DHABI AND QATAR ACTUALLY RECEIVED BY JORDAN IN 1976 TO FINANCE NEW AMMAN INTERNATIONAL AIRPORT (REF C)) ARE NOW RECORDED IN 1975 BUDGET.

3/ THIS TOTAL IS 0.6 MILLION JD LESS THAN THAT OF DOCUMENT RECENTLY PROVIDED CONFIDENTIALLY TO IMF BY GOJ. WE BELIEVE PRESENT INFORMATION IS THE MORE ACCURATE.

4/ AS SUSPECTED (REF B)), PARAGRAPH 2) TRANSFERS CONFIDENTIAL

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PAGE 04 AMMAN 09621 260752Z

EARLIER THIS YEAR FROM QATAR (\$10 MILLION) AND ABU DHABI (\$15 MILLION) REPORTED ORIGINALLY IN REF C) WERE RABAT SUBSIDIES AND ARE INCLUDED IN PRESENT TABLE AS PART OF TOTAL 34.5 MILLION JD IN 1977 RABAT PAYMENTS.

PICKERING

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Message Attributes

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Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Film Number: D770481-0503
Format: TEL
From: AMMAN
Handling Restrictions: n/a
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Line Count: 142
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